UNITED NATIONS **A**

General Assembly

Distr.
GENERAL

A/49/776
12 December 1994
ENGLISH
ORIGINAL: FRENCH

Forty-ninth session
Agenda item 154

UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s

Letter dated 12 December 1994 from the Chargé d'affaires a.i. of the Permanent Mission of Guinea to the United Nations addressed to the President of the General Assembly

In my capacity as Chairman of the Group of African States, I have the honour to transmit to you herewith a letter from the President of the African Development Bank (see annex).

I should be grateful if you would have the text of this letter and its annex circulated as a document of the General Assembly under agenda item 154.

(Signed) El-Hadj Aboubacar DIONE
Chargé d'affaires a.i.

ANNEX

[Original: English]

Letter dated 12 December 1994 from the President of the African Development Bank addressed to the President of the General Assembly

I have been briefed by our Director of Development Research and Policy Department, Mr. D. G. Rwegasira, about the discussions he had with the African Expert Group at the United Nations on 9 December 1994 on the question of the possible establishment of a diversification fund for Africa's commodities. He has also told me about the subsequent briefing he had with you on the matter.

As I had indicated earlier in my letter of 16 February 1994 to United Nations Under-Secretary-General Mr. Nitin Desai, the African Development Bank agrees with the observation made in the Food and Agriculture Organization of the United Nations (FAO) report of October 1993, prepared at the request of the Secretary-General, that there is a resource gap in Africa for the preparation of diversification projects that are attractive to investors. I, therefore, in my letter welcomed the proposal to establish the diversification fund to this effect. The establishment of a diversification fund, however, would, along with the proposed national diversification councils, provide the focal point for enhancing diversification efforts in Africa. On this basis, and taking into account related operational considerations, I indicated that the Bank would, in principle, be willing to consider administering the fund as recommended by the FAO report.

There are, of course, a number of alternative ways of putting together the proposed US$ 50-75 million initial contributions to the fund. And those alternative ways would in turn imply different operational and procedural modalities. But these are matters of detail at this stage, which should not stand in the way of the broader objective. Similarly, for our part in the Bank, we would need to have minimum firm indications of the possible contributions to the fund, and to go through our internal consultations required by the relevant organs of our institution for administering such a fund.

What is also important to stress is the point I made earlier, relating to complementary diversification efforts already existing within the African Development Bank and elsewhere, and therefore the implied need for new and additional efforts and resources deriving from the current initiative on this front from the United Nations. These additional resources could be obtained from various sources, including special contributions to existing sources of finance.

The African Development Bank stands ready to embrace positive initiatives that would enhance the development prospects of the African continent. At the present stage of development in many of our countries, diversification of

products, markets and technologies is crucial. We are, therefore, looking forward to such imaginative approaches from the United Nations, particularly in the context of the United Nations New Agenda for the Development of Africa in the 1990s.

(Signed) Babacar NDIAYE